

ATTACHMENT B: AREA OF REVIEW AND CORRECTIVE ACTION PLAN 40 CFR 146.84(b)

Facility Information

Facility name: Elk Hills A1-A2 Storage Project
357-7R & 355-7R
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Well location: Elk Hills Oil Field, Kern County, CA
35.32802963 / -119.5449982

Computational Modeling Approach

The computational modeling workflow begins with the development of a three-dimensional representation of the subsurface geology. It leverages well data (bottom and surface hole location, wellbore trajectory, well logs, etc.) for rendering structural surfaces into a geo-cellular grid. Attributes of the grid include porosity and permeability distributions of reservoir lithologies by subzone, as well as observed fluid contacts and saturations for each fluid phase. This geologic model is often referred to as a static model, as it reflects the reservoir at a single moment. Carbon TerraVault 1 LLC (CTV) licenses Schlumberger Petrel, industry-standard geo-cellular modeling software, for building and maintaining static models. The static model becomes dynamic in the computational modeler with the addition of:

- Fluid properties such as density and viscosity for each hydrocarbon and water phase
- Liquid and gas relative permeability
- Capillary pressure data
- Well completion, production, and injection data from the reservoir's entire depletion history

Results from the computational model are used to establish the area of review (AoR), the 'region surrounding the geologic sequestration project where underground sources of drinking water (USDWs) may be endangered by the injection activity' (EPA 75 FR 77230). In the case for the CalCapture A1-A2 project, the AoR encompasses the maximum aerial extent of the CO₂ plume (e.g., supercritical, liquid, or gaseous). Reservoir pressure will be at or beneath the initial/discovery

pressure, minimizing the already minor potential for induced seismicity and ensure no elevated pressure post injection.

Model Background

Computational modeling was completed using Computer Modeling Group's (CMG) Equation of State Compositional Simulator (GEM). GEM is capable of modeling enhanced oil recovery, chemical EOR, geomechanics, unconventional reservoir, geochemical EOR and carbon capture and storage. GEM can model flow of three components (gas, oil and aqueous), multi-phase fluids, predict phase equilibrium compositions, densities, and viscosities of each phase. This simulator incorporates all the physics associated with handling of relative permeability as a function of interfacial tension (IFT), velocity, composition, and hysteresis. Computational modeling for the CO₂ plume utilized the Peng-Robinson Equation of State (Reference 1) and the solubility of CO₂ in water is modeled by Henry's Law (Reference 2, 3). The Peng-Robinson Equation of State establishes the interaction/solubility of CO₂ and residual oil in the reservoir. Solubility of CO₂ in aqueous phase was modeled by Henry's Law as a function of pressure, temperature, and salinity.

The plume model defines the potential quantity of CO₂ stored and simulates lateral and vertical movement of the CO₂ to define the AoR.

The simulator predicts the evolution of the CO₂ plume by:

1. Incorporating complex reservoir geometry and wells and utilizing a full field static geological three-dimensional characterization of the reservoir incorporating lithology, saturation, porosity, and permeability.
2. Forecasting the CO₂ plume movement and growth by inputting the operating parameters into simulation (injection pressure and rates).
3. Assessing the movement of CO₂ after injection ceases and allowing the plume to reach equilibrium, including pressure equilibrium and compositions in each phase.

CMG's GEM software has been used in numerous CO₂ sequestration peer reviewed papers, including:

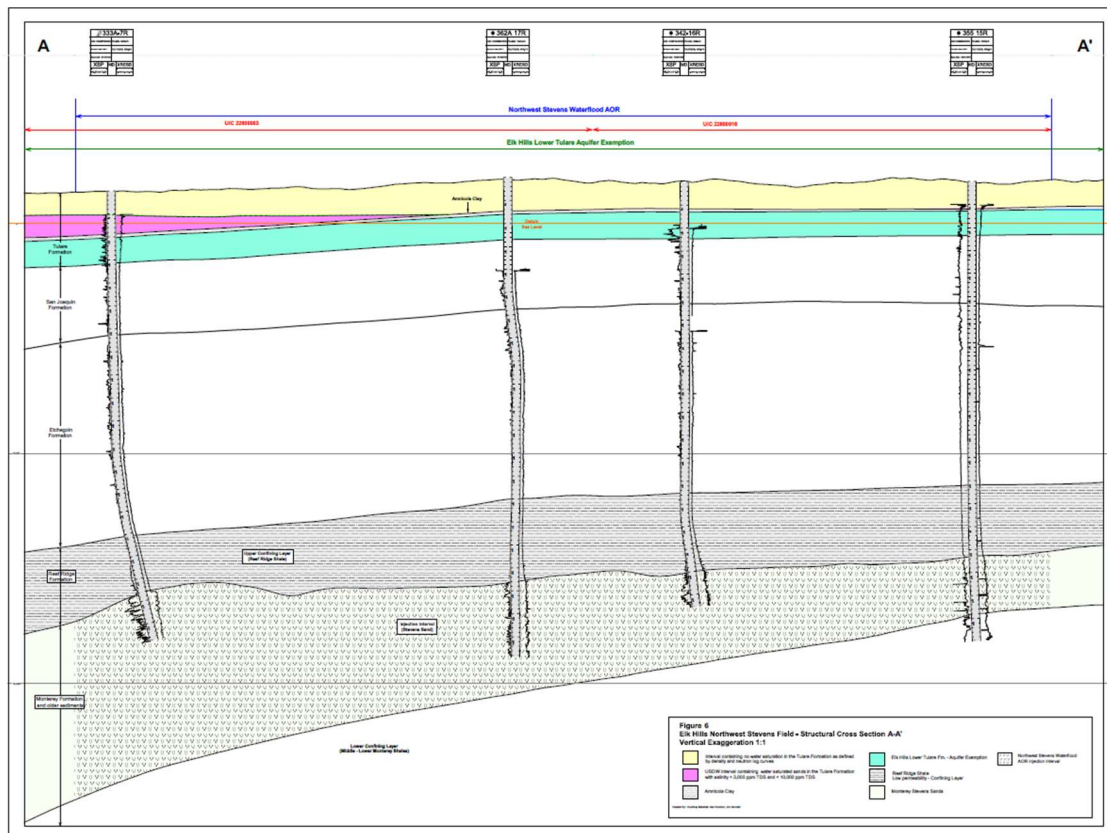
1. Simulation of CO₂ EOR and Sequestration Processes with a Geochemical EOS Compositional Simulator. L. Nghiem et al
2. Model Predictions Via History Matching of CO₂ Plume Migration at the Sleipner Project, Norwegian North Sea. Zhang, Guanru et al
3. Geomechanical Risk Mitigation for CO₂ Sequestration in Saline Aquifers. Tran, Davis et al.

Site Geology and Hydrology

The Northwest Stevens Field is a northwest-southeast trending anticlinal structure located in the Elk Hills Oil Field within the San Joaquin Valley of California, producing oil and gas from the Miocene-aged Monterey Formation. The reservoir sands are composed of a series of stacked turbidite sands, interbedded with siliceous shales and clays. The Monterey Formation A1-A2, present in the northwestern portion of the field, pinch out towards the southeast (Figure 1, cross-section A-A'), while the lowermost sands, are present across the entire structure.

The Monterey Formation sands are bound above by the regional Reef Ridge Shale, and below by the Lower Antelope Shale Member of the Monterey Formation. The Reef Ridge Shale is a deep marine, clay-rich interval, deposited regionally with average gross thicknesses of ~1,000', and has a very low matrix permeability. Its competence in confining upward fluid movement is established by its demonstrated historical performance as the regional seal for hydrocarbon accumulation within the Monterey Formation, not only for the Monterey Formation A1-A2, but for all Monterey accumulations in the greater Elk Hills area.

Figure 1: Cross-section A-A' showing the Monterey Formation A1-A2 sands pinching-out on the NWS anticline.



The CalCapture Class VI injection wells will target injection in the Monterey Formation A1-A2 sands. The Monterey Formation A1-A2 oil and gas reservoir was discovered in the 1970's and has

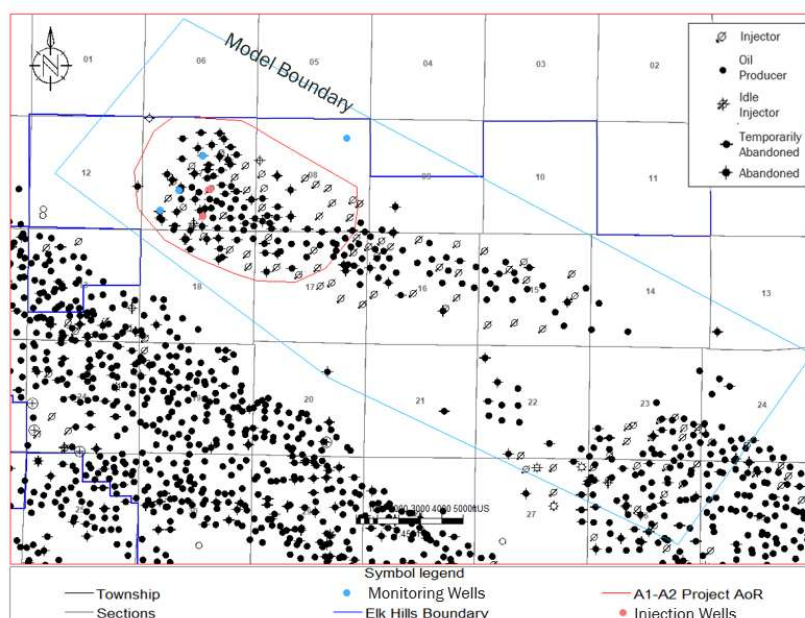
been developed with primary production and pressure maintenance (Table 1: Production and Injection volumes). Gas and water injection initiated in 1982 supported reservoir pressures and helped maintain oil production. Starting in the year 2000, pressure maintenance ceased, and the gas cap reservoir was “blown-down”, depleting the reservoir pressure. Since blow-down, reservoir pressure has remained at 200-300 PSI, indicating a closed reservoir with minimal water influx and/or connection to an aquifer.

Table 1: Production and injection volumes for the Monterey Formation A1-A2 reservoir.

| Process | Phase | Volume |
|------------|-------|------------------------|
| Production | Oil | 28 million barrels |
| | Gas | 193 billion cubic feet |
| | Water | 9 million barrels |
| Injection | Water | 6 million barrels |
| | Gas | 175 billion cubic feet |

Well data, open-hole well logs and core (Figure 2), define the subsurface geological characteristics of stratigraphy, lithology, and rock properties. Reservoir performance information (production and injection rates and volumes, reservoir, and wellbore pressures) complements the static characterization by adding the dynamic components, such as reservoir continuity and hydrogeology.

Figure 2: Location of wells with open-hole log data used to develop the static model used in computational modeling.



Model Domain

A static geological model developed with Schlumbergers Petrel software, commonly used in the petroleum industry for exploration and production, is the computational modeling input. It allows the user to incorporate seismic and well data to build reservoir models and visualize reservoir simulation results. Model domain information is summarized in Table 2.

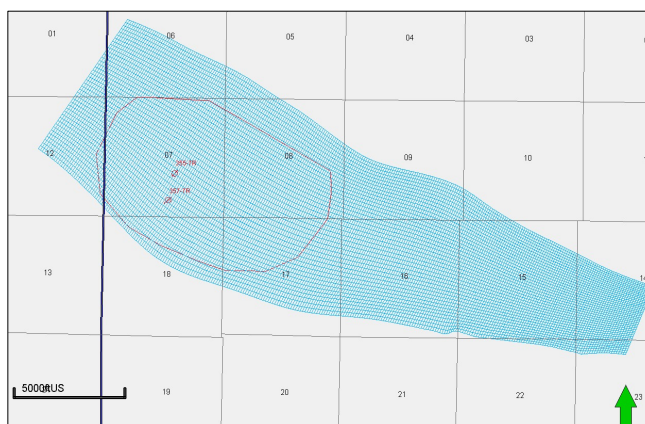
Table 2. Model domain information.

| | | | |
|--------------------------------------|--------------|--------------------------------------|--------------|
| Coordinate System | State Plane | | |
| Horizontal Datum | NAD 83 | | |
| Coordinate System Units | Feet | | |
| Zone | CA83-VF | | |
| FIPSZONE | 0405 | ADSZONE | 3376 |
| Coordinate of X min | 6,095,241.81 | Coordinate of X max | 6,122,433.26 |
| Coordinate of Y min | 2,302,015.15 | Coordinate of Y max | 2,316,903.12 |
| Elevation of bottom of domain | -10,426.35 | Elevation of bottom of domain | -6,670.36 |

The geo-cellular grid is uniformly spaced throughout the 6.4 square mile model area (Figure 3) at 150 feet x 150 feet. These grid dimensions allow for adequate resolution of plume development. Finer resolution for the grid will prevent the simulation from running efficiently and a coarser grid will not adequately simulate plume movement.

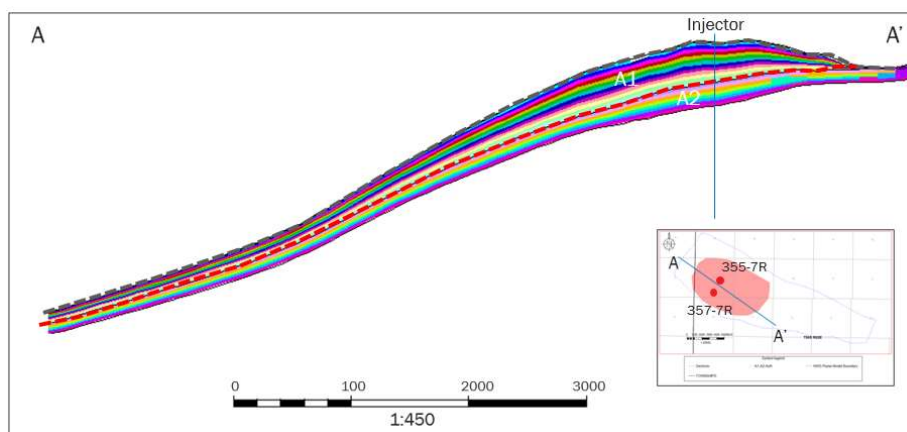
The model is oriented at 55 degrees, which is aligned with both the structural trend of the anticline and the depositional environment. Model boundaries were defined to include the entire Northwest Stevens anticline, the plume extent and all Monterey Formation sands.

Figure 3: Plan view of the model boundary and project AoR.



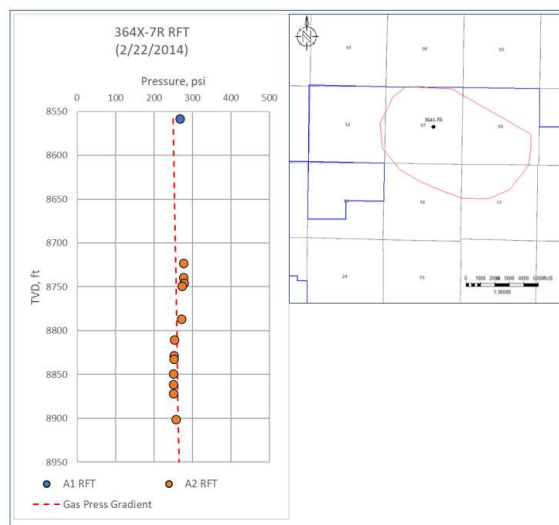
The reservoir has been separated into two zones, A1 and A2 sands, with 8 and 13 proportional layers (Figure 4) respectively, resulting in an average grid cell height of 11.5 feet. The model grid resolution is a balance between simulation run-time and retaining reservoir heterogeneity for assessing CO₂ movement. Well data that defines the stratigraphy also defines the structure of the A1-A2 storage reservoir. Each well drilled has a deviation survey used to establish the measured depth and depth sub-sea of each surface.

Figure 4: Static model layering of the Monterey Formation A1-A2 reservoir. The stratigraphic units either pinch-out up-dip or reservoir sands transition to shale.



The A1-A2 sands were modeled separately to ensure stationarity for the property distribution. The reservoirs are in communication as demonstrated by the pressures shown in Figure 5.

Figure 5: A1 and A2 reservoir pressure from well 364X-7R.



Porosity and Permeability

Figure 2 shows the AoR and the well penetrations that have open hole triple combo logs and core data used for the model parameters. Porosity, facies (sand and shale), and clay volume are derived from the open hole well logs. These values, that have a one-foot resolution, are upscaled into the geological model and distributed using Gaussian random function simulation (kriging). Mercury Injection Capillary Pressure (MICP) permeability data from core analysis constrains the permeability function (Figure 6) that is dependent on porosity and clay volume.

Figure 6: Porosity and permeability data from MICP analysis for Monterey Formation sands. A permeability transform calculates permeability from log-based porosity.

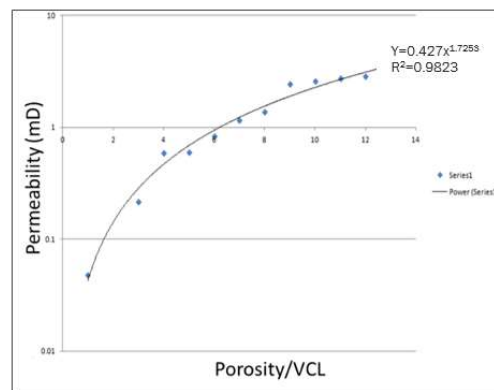


Figure 7: Monterey Formation A1-A2 sands porosity and permeability distribution in the static model.

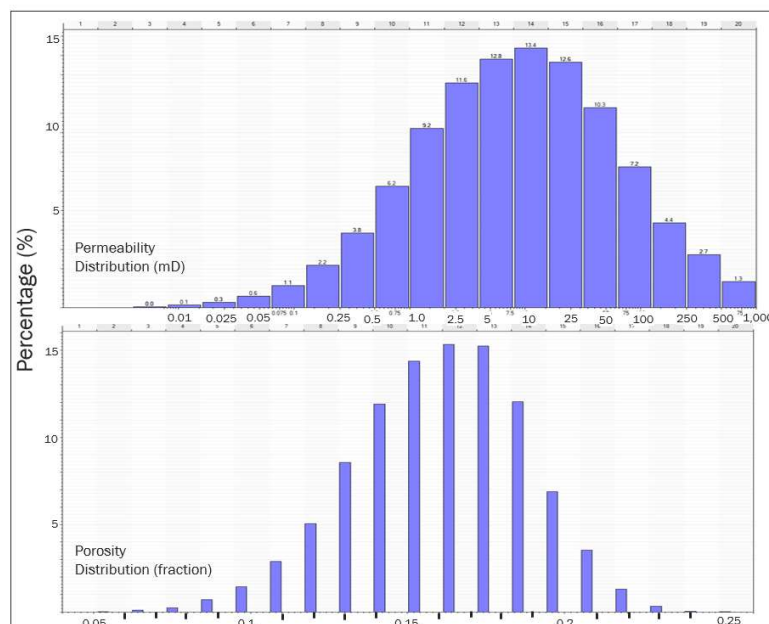
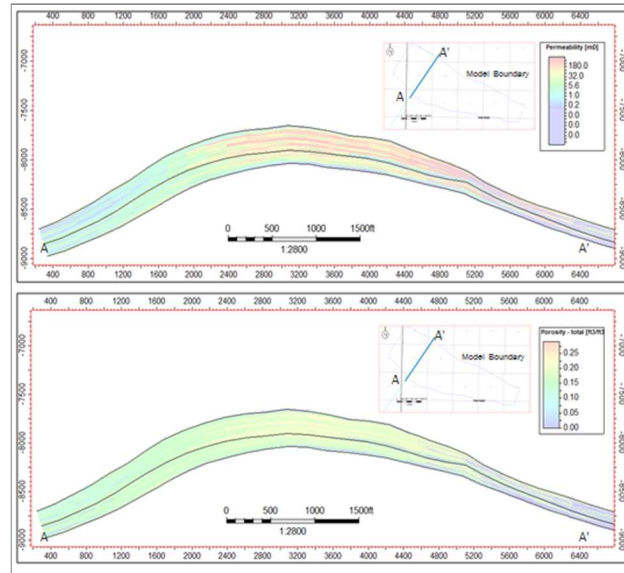


Figure 7 shows porosity and permeability histograms for the Monterey Formation A1-A2 sands. Porosity is derived from open-hole well log analysis and permeability is a function of porosity and clay volume. Figure 8 shows the permeability and porosity distribution in cross-section A-A'. Reservoir quality is the highest at the top of the anticline, porosity and permeability are lower on the edges.

Figure 8: Sections through the static grid showing the distribution of porosity and permeability in the reservoir.



Constitutive Relationships and Other Rock Properties

The Monterey Formation A1-A2 reservoir gas cap overlies an oil band, followed by a basal water zone. Contacts for gas, oil, and water depths are derived from open-hole well logs and production analysis and verified through simulation and history matching. Single values for the saturation have been assumed for the computational model study. Table 3 shows the reservoir contacts and saturations used in the computational model.

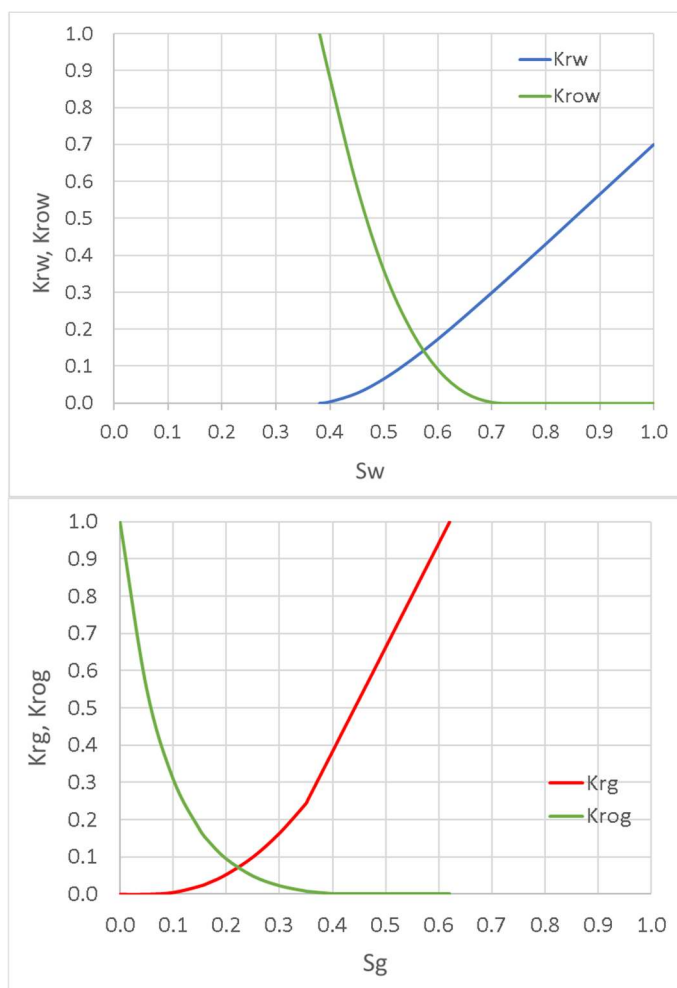
Table 3: Gas, oil and water contacts used in the computational modeling study. Values derived by open hole well logs and production analysis.

| | Gas Cap | Oil Band | Water Zone |
|-------------------------|--------------------------|--------------------------|------------|
| Contact (depth sub-sea) | Gas - Oil 8,400 | Oil - Water 8,550 | |
| Saturation (fraction) | Water: 0.18 Gas: 0.82 | Oil: 0.15 Water: 0.85 | Water: 1.0 |

With gas, oil and water all present in the reservoir, three-phase relative permeability relationships are the key variables that determine the flow characteristics of each component and/or phase. Two

sets of two-phase relative permeability data are needed to determine three-phase relative permeability for the sand facies: water-oil and gas-oil systems, giving K_{rw} , K_{row} , K_{rg} , and K_{rog} as a function of water or liquid saturation. Data acquired from core flood and/or capillary pressure testing determines these relationships. Figure 9 shows the relative permeability curves used in the computational modeling. The saturations at start of CO_2 injection were based on Material Balance calculations that were done for the A1-A2 reservoir. Material Balance is a well accepted method to determine the average saturations and fluid contacts in an oil and gas reservoir over time.

Figure 9: Relative permeability curves for K_{rg} - K_{rog} and K_{rw} - K_{row} used in the computational model study (k_{row} = relative permeability oil in an oil-water system, k_{rg} = relative permeability to gas in a gas-oil system, k_{rw} = relative permeability to water in an oil-water system, and k_{rog} = relative permeability to oil in a gas-oil system).



Mineralization

Previous studies into reactive transport modeling and geochemical reaction in CCS have shown that the amount of CO_2 trapped by mineralization reactions is extremely small over a 100 year post injection time frame (IPCC, 2005: IPCC Special Report on Carbon Dioxide Capture and Storage, prepared by Working Group III of the Intergovernmental Panel on Climate Change) for

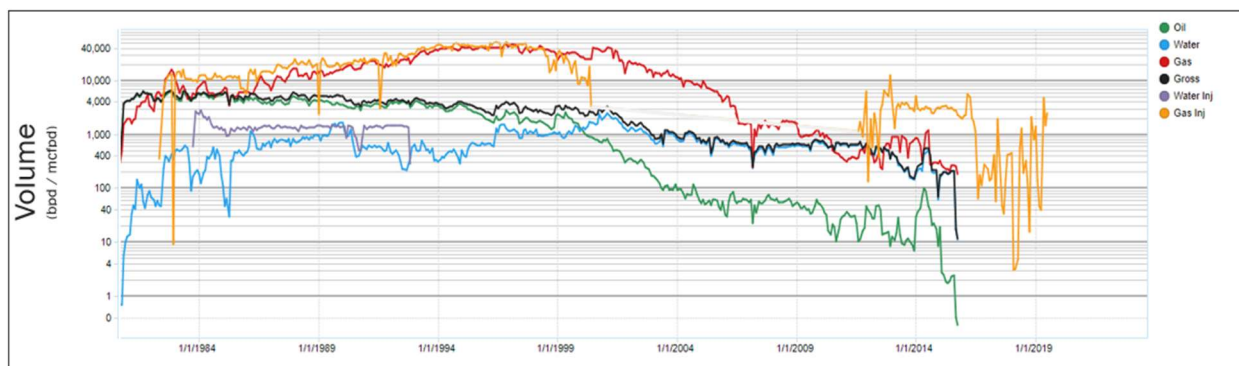
sandstone reservoirs. For the sake of computational efficiency and the minor expected effect on the AoR, reactive transport was not included as a part of the compositional simulation modeling.

Boundary Conditions

No-flow boundary conditions were applied to the Monterey Formation A1-A2 reservoir in the computational modeling. These conditions were based on the following:

1. The overlying Reef Ridge Shale is continuous through the area, has a low permeability (less than 0.01 mD) and has confined oil and gas operations, that include the injection of water and gas, since discovery.
2. Performance data from operating the Monterey Formation A1-A2 oil and gas reservoir indicates no connection to an active aquifer.
 - i. Historical production data (Figure 10) shows minimal water production, supporting limited aquifer influx.
 - ii. Gas injection and subsequent gas blow-down (Figure 10) proves lateral and vertical confinement by demonstrating that gas did not migrate out of the reservoir.
 - iii. Pressure in the reservoir is at 230 PSI, demonstrating minimal to no aquifer influx and subsequent increase in pressure.

Figure 10: Monterey Formation A1-A2 production and injection data.



Initial Conditions

Initial model conditions (start of CO₂ injection) of the Monterey Formation A1-A2 reservoir have been established and verified over time as the reservoir has been developed for oil and gas production. Initial conditions for the model are given in Table 4.

Table 4. Initial conditions.

| Parameter | Value or Range | Units | Corresponding Elevation (ft MSL) | Data Source |
|--------------------|----------------|------------------------|----------------------------------|----------------|
| Temperature | 240 | Fahrenheit | 8,300 | Fluid Analysis |
| Formation pressure | 200-300 | Pounds per square inch | 8,300 | Pressure Test |
| Fluid density | 61 | Pounds per cubic foot | 8,300 | Water analysis |
| Salinity | 25,000 | Parts per million | 8,300 | Water analysis |

Operational Information

Details on the injection operation are presented in Table 5.

Table 5. Operating details.

| Operating Information | Injection Well 1 357-7R | Injection Well 2 355-7R |
|---|------------------------------|-----------------------------|
| Location (global coordinates) X Y | 35.32802963 -119.5449982 | 35.33139038 -119.5441437 |
| Model coordinates (ft) X Y | 6,100,956.63 2,308,944.30 | 6,101,103 2,310,474 |
| No. of perforated intervals | 7 | 4 |
| Perforated interval (ft TVD) Z top Z bottom | 8,511 8,793 | 8,483 8,608 |
| Wellbore diameter (in.) | 7 | 7 |
| Planned injection period Start End | 02/01/2024 04/01/2039 | 02/01/2024 04/01/2039 |
| Injection duration (years) | 15 | 15 |
| Injection rate (t/day)* | 530-794 | 530-794 |

*If planned injection rates change year to year, add rows to reflect this difference, and include an average injection rate per year (or interval if applicable).

Fracture Pressure and Fracture Gradient

The Monterey Formation A1-A2 reservoir has been developed with assistance of gas and water injection to maintain reservoir pressure and improve oil recovery efficiency. As part of this process, California Resources Corporation (CRC) obtained Class II UIC approval from CalGEM.

The Class II permit approval mandates that the maximum operating pressure gradient should not exceed 0.80 psi/foot unless additional testing indicates a higher gradient is appropriate.

CRC has also conducted tests to determine the fracture gradient for the injection zone. These results are consistent with data collected outside the field. The 0.82 PSI/foot fracture gradient for the Monterey Formation A1-A2 reservoir was obtained from well 327-7R-RD1. CTV will conduct a step rate test for the Reef Ridge Shale as per the pre-operational testing plan.

CTV will ensure that the injection pressure is beneath 90% of the fracture gradient at the top of perforations in the injection wells (Table 6). CTV expects to operate the wells with a planned subsurface wellbore injection pressure of 4,500 PSI.

Table 6. Injection pressure details.

| Injection Pressure Details | Injection Well 1 357-7R | Injection Well 2 355-7R |
|--|------------------------------------|------------------------------------|
| Fracture gradient (psi/ft) | 0.82 | 0.82 |
| Maximum allowable bottomhole injection pressure (90% of fracture pressure) (psi) | 6,281 | 6,260 |
| Elevation corresponding to maximum injection pressure (ft TVD) | 8,511 | 8,483 |
| Elevation at the top of the perforated interval (ft TVD) | 8,511 | 8,483 |
| Planned bottom hole injection pressure at top of perforations (psi) | 1,140 - 3,909 | 1,175 - 3,923 |
| Planned bottom hole injection gradient at top of perforations (psi/foot) | 0.13 – 0.46 | 0.14 - 0.46 |

Computational Modeling Results

Predictions of System Behavior

The following maps (Figure 11) and cross-sections (Figure 12) show the computational modeling results and development of the CO₂ plume at seven time-steps. The boundaries of the AoR have been defined with a 3% CO₂ global mole fraction cutoff. The maximum vertical and lateral extent of the CO₂ plume is within the first year of post-injection, at which time the plume largely stabilized. The reservoir quickly becomes stable because the most significant trapping mechanism is structure.

For all layers in the model and at all time-steps, the plume stays within the 2.1 square mile AoR. Within the first two years of injection, the AoR extent is largely defined. Thereafter, the CO₂ injectate concentration in the plume increases with continued injection. Post-injection the plume does not decrease in size. The majority of the CO₂ injectate remains as super-critical CO₂.

Figure 11: Plan view showing the plume development through time for layer 15. Sections 8 and 17 have CO₂ in small quantities due to minor potential connected sand lenses, as the reservoir becomes shale dominated up-dip. It is highly unlikely that CO₂ will migrate to these areas.

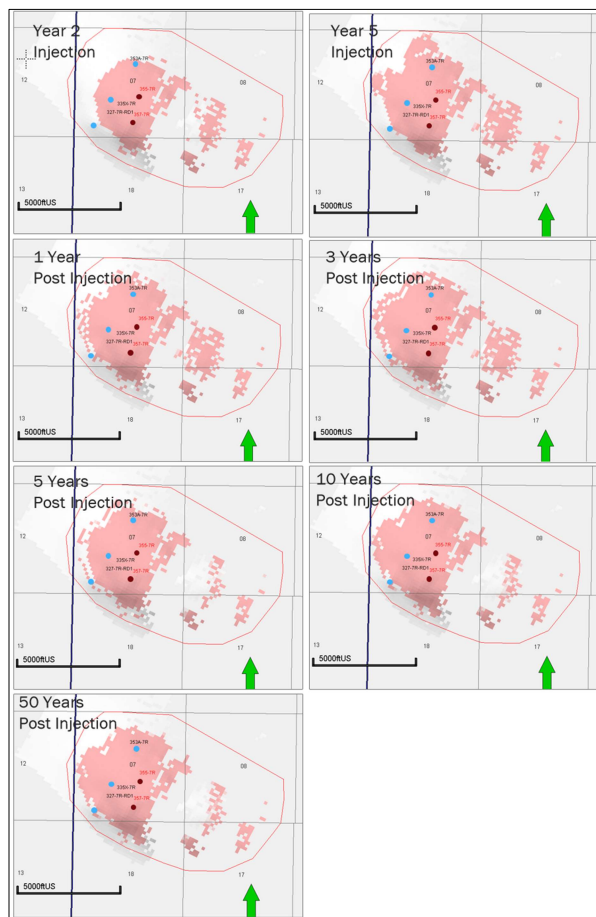
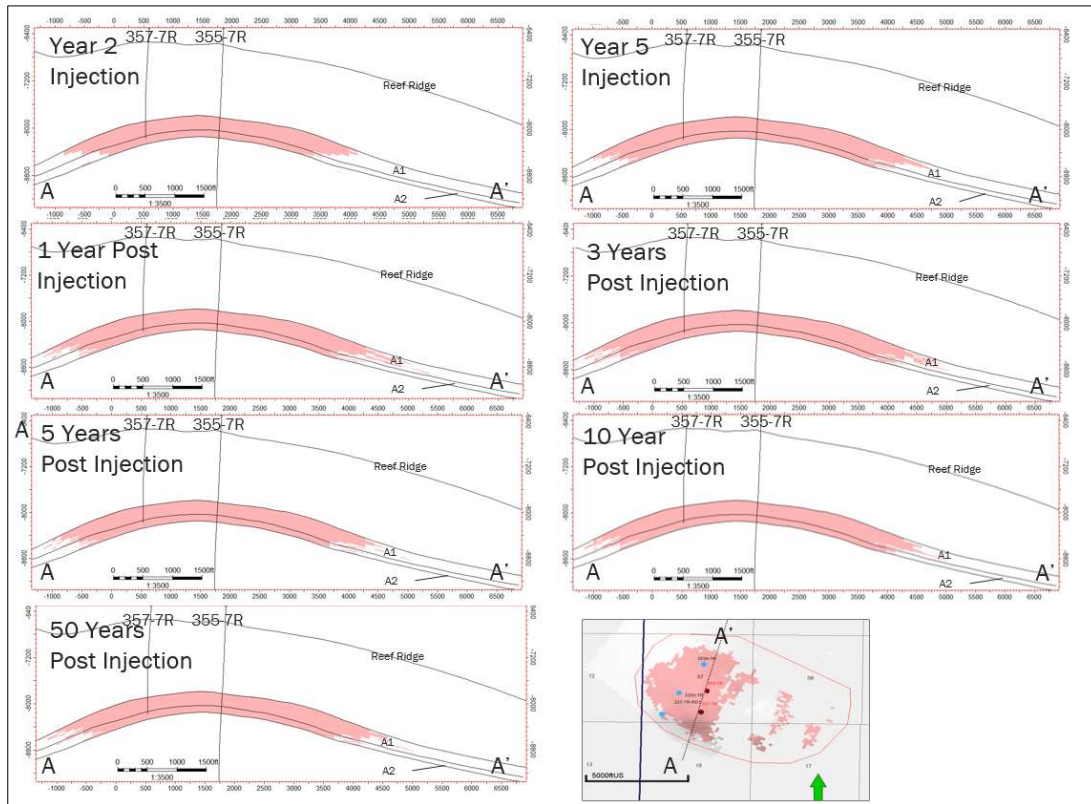


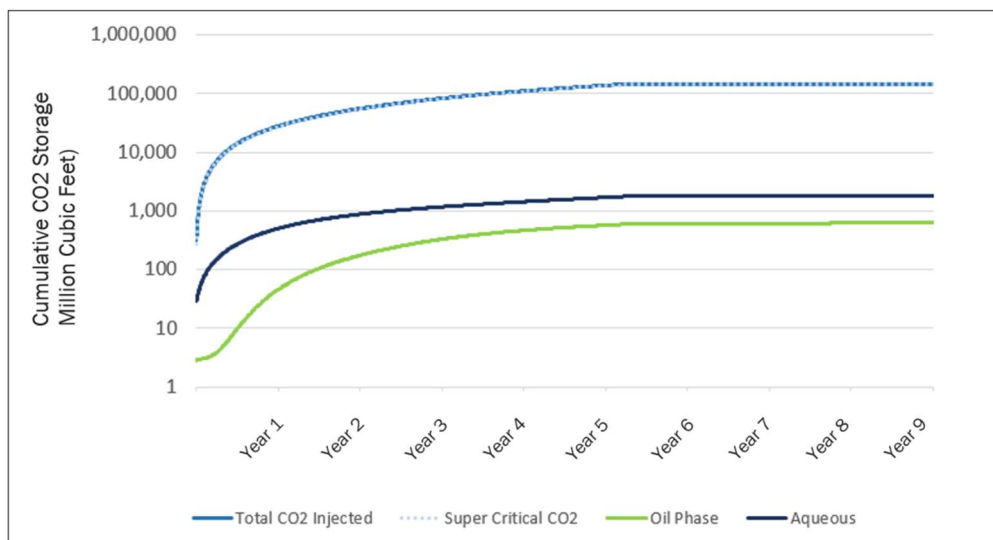
Figure 12: Cross-sections showing the plume development through varying times through the project.



CO₂ injected into the Monterey Formation A1-A2 reservoir will be soluble in both water and oil. Due to the low remaining saturation for oil and water in the depleted reservoir, total dissolved CO₂ in oil and water is only 0.5% and 1.3% of the CO₂ injected respectively. 98% of CO₂ injected is stored as super-critical CO₂. Figure 13 shows the cumulative storage for each of the mechanisms.

After 5 years of injection, there is no additional change in the quantity of CO₂ dissolving in the oil and water.

Figure 13: CO₂ storage mechanisms in the reservoir.



Model Calibration and Validation

CRC has injected 175 BCF of gas into the Monterey Formation A1-A2 reservoir. This operational experience provides insight into reservoir injectivity and continuity. The plume model results were compared against the area of the reservoir that has been depleted by oil and gas operations.

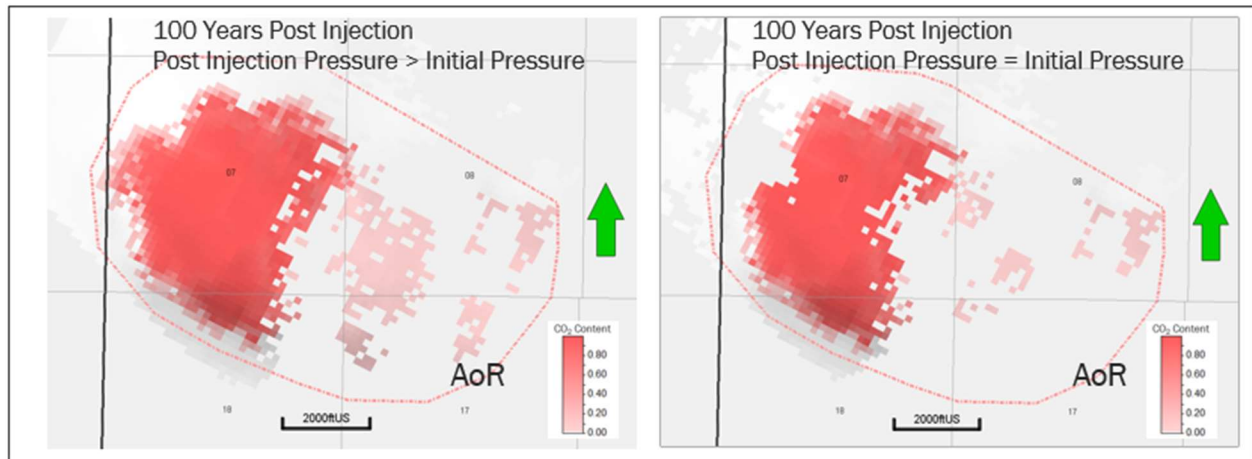
The Base case simulation was run for five years of injection. This base case represents the highest injection rate for the project. In addition, a scenario was also run with 15 years of injection at lower rate. Both scenarios were run for 100 years post injection to verify plume stabilization. There was no difference in AoR extent or storage volume between the scenarios.

As a computational model sensitivity, CTV also ran a scenario where high injection rate was maintained for nine years, with an increase of the post-injection pressure and total CO₂ injected. At a final reservoir pressure of 5,750 psi, versus base case of 4,000 psi, the reservoir can store 193 BCF of CO₂, an addition of 61 BCF CO₂. Figure 14 shows the difference in plume development at 100 years post injection. Note that the plume stays within the AoR, with increased CO₂ concentrations in cells in northwestern portion of the AoR.

Additionally, the scenarios listed in the Table 7 were run varying major inputs to the simulation to see whether it had any significant impact on the AoR boundary. The results from the different scenarios were reviewed and showed varying final CO₂ storage amount but no impact to the AoR boundary.

Table 7: Simulation sensitivity scenarios

| Scenario | AoR impact |
|--|------------------|
| Base Case: High Injection rate (5yrs of injection) | Base AoR |
| Low Injection rate scenario (15yrs of injection) | No impact to AoR |
| Higher final reservoir pressure scenario | No impact to AoR |
| NTG : 10% reduction from base case | No impact to AoR |
| Porosity: 10% reduction from base case | No impact to AoR |
| Porosity: 10% increase from base case | No impact to AoR |
| Permeability: 10% reduction from base case | No impact to AoR |
| Permeability: 10% increase from base case | No impact to AoR |
| Grid XY dimensions: reduced to 75'x75' | No impact to AoR |

Figure 14: Plan view of plume development at layer 15 in the computational model.

These scenarios demonstrate that the AoR, as defined by the maximum extent of CO₂ injectate, is consistent for a range of scenarios. This provides confidence that the corrective action well review and potential impact to the Upper Tulare USDW is conservative and has been appropriately evaluated.

AoR Delineation

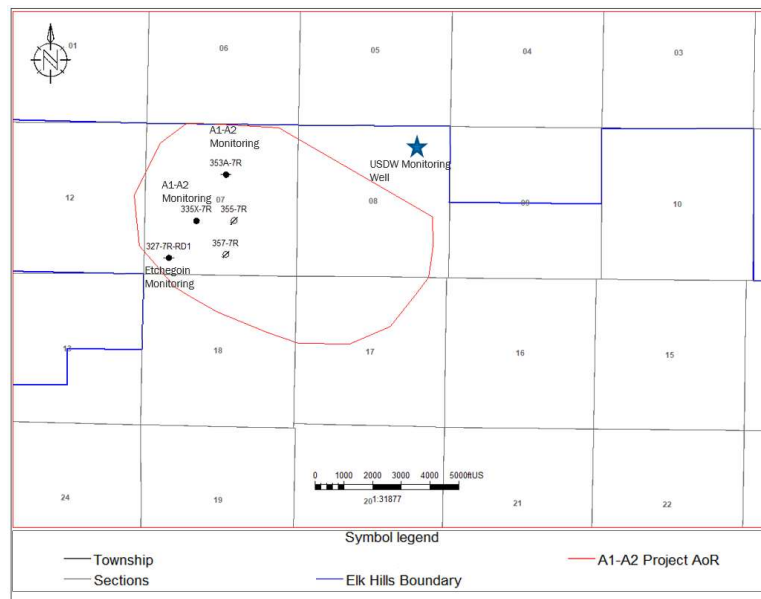
The AoR was determined by the largest extent of the CO₂ plume from computational modeling results. In the AoR scenario, CO₂ was injected into the depleted Monterey Formation A1-A2 reservoir until the reservoir pressure reached the discovery pressure of 4,000 PSI. Benefits of this operational strategy are that there is no increased pressure front beyond the original reservoir limits.

Figure 15 shows the AoR, injectors and offset monitoring wells. These monitoring wells were selected to both track the plume and measure reservoir pressure to understand the AoR and CO₂ plume development:

1. By integrating the reservoir pressure increase with the injected volume, CTV will complete a material balance to verify the pore volume and AoR edges.
2. CO₂ plume and water contact will be calculated from monitoring well pressure, CO₂ saturation and column height.

If the reservoir pressure increase associated with the injected volume does not follow the predicted trend from computational modeling, CTV will reassess the AoR.

Figure 15: Map showing the location of injection wells and plume monitoring wells.



Corrective Action

Tabulation of Wells within the AoR

Wells within the AoR are associated with oil and gas development of the Monterey Formation. The Monterey Formation A1-A2 reservoir was discovered in 1973 and developed subsequently.

As such, there are excellent records for wells drilled in the field. There have been no “un-documented” historical wells found during the over 40-year development history of the reservoir that includes injection of water and gas.

CTV accesses internal databases as well as California Geologic Energy Management Division (CalGEM) information to identify and confirm wells within the AoR. CalGEM rules govern well siting, construction, operation, maintenance, and closure for all wells in California oilfields. Detailed records describing the location and status of wells in the EHOFF have been submitted to CalGEM as part of the drilling permits, workover activity, and existing Class II UIC permit applications.

Tables 8 and 9 provide counts of the AoR wellbores by status and type, for each wellbore with a unique API-12 identifier. Appendix 1 provides a complete list of all API-12 wellbores within the AoR. As required by 40 CFR 146.84(c)(2), the well table in Appendix 1 describes each well’s type, construction, date drilled, location, measured depth, true vertical depth, completion record relative to the A1-A2 injection zone, record of plugging, requirement for corrective action, if necessary. CTV also identifies well work to be completed during the pre-operational testing phase.

Table 8: Wellbores in the AoR by Status

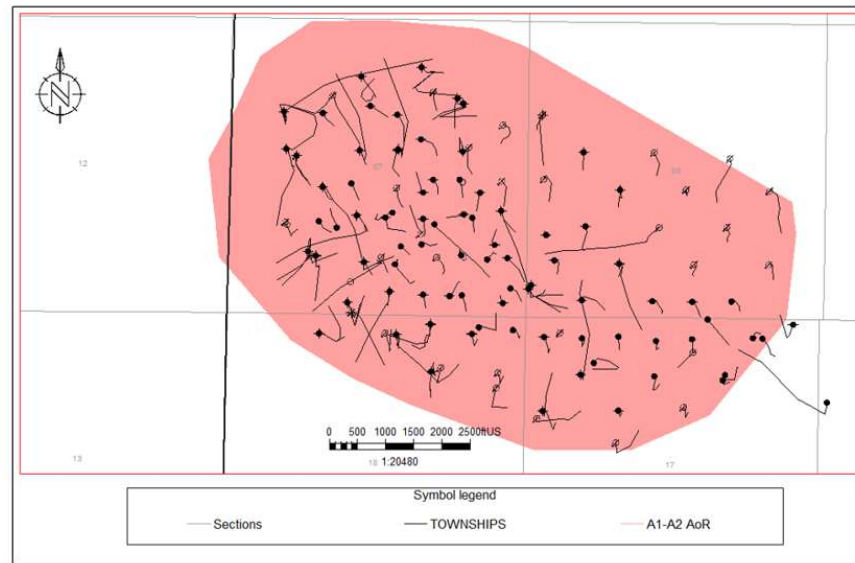
| Status | Count |
|-----------------------|--------------|
| Active | 41 |
| Idle | 70 |
| Plugged and Abandoned | 39 |
| Total | 150 |

Table 9: Wellbores in the AoR by Type

| Type | Count |
|-----------------------------------|--------------|
| Oil & Gas Producing Wells | 79 |
| Class II Injection/Disposal Wells | 32 |
| Observation Wells | 0 |
| Plugged and Abandoned | 39 |
| Total | 150 |

Wells in the AoR with an active status are development wells completed below the Monterey Formation A1-A2 reservoir and associated with a CalGEM Class II approval within the A3-A11 sand intervals.

Figure 16: Wells penetrating the Reef Ridge Shale confining layer and Monterey Formation A1-A2 sequestration reservoir reviewed for corrective action.



Protection of USDW

For the Elk Hills A1-A2 Storage Project, CTV assessed USDW protection by evaluating all wellbores that penetrate the confining Reef Ridge Shale. All wells within the AoR meet the criteria below, ensuring protection of the USDW:

1. Surface or intermediate casing over the USDW
2. If well is abandoned, cement plug across base of USDW
3. Cement in the annulus:
 - a. Intermediate casing – cement above the above the surface casing shoe.
 - b. Sufficient annular cement within the confining Reef Ridge Shale.

Wells Penetrating the Confining Zone

The depth of the confining zone in each of the wells penetrating the Reef Ridge shale was determined through open-hole well logs utilizing the deviation survey. All wells in the AoR penetrate the Reef Ridge Shale confining zone.

As part of ongoing UIC processes, well condition, mechanical integrity and data completeness is routinely reviewed with CalGEM. The last review for the wells associated with the AoR well list occurred in Q1 2021.

Monterey Formation A1-A2 Isolation

Wells that will not be used for the Elk Hills A1-A2 Storage Project that penetrate and are currently perforated in the Monterey Formation A1-A2 will be abandoned prior to injecting CO₂. These wells have not been deemed deficient, and they will not be used for hydrocarbon production from the A3-A11 underlying sands. The abandonment of these wells is considered to be normal operating procedures to manage and minimize liabilities. Wellbores that meet this criteria are included in the 33 wells identified for abandonment in Appendix 1.

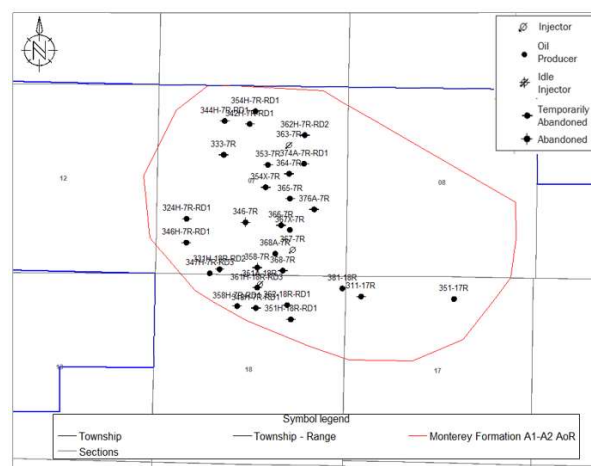
Wells that pass through and are not completed in the A1-A2 sand serve to either inject into or produce from some combination of the A3-A11 sands. All pass through wells not planned for abandonment during pre-operational testing have been determined to be adequately isolated from A1-A2 sands.

Corrective Action Assessment of Wells in AoR

The corrective action assessment included the generation of detailed casing diagrams for each wellbore, review of all perforations, assessment of cement tops for each casing string, and determination of cement plug depths. CTV can demonstrate that the USDW is protected and that with the abandonment of 33 wells (Figure 17), the Monterey Formation A1-A2 reservoir will be isolated. Annular cement and cement plugs within the casing will be placed within the Reef Ridge confining layer so as to re-establish caprock integrity.

Appendix 2 provides the plugging procedure that will be used to abandon these wells along with well-specific plugging plan tables that identify the number of plugs, placement method, cement type, density, and volume for the wells to be abandoned during pre-operational testing. Additionally, the procedures achieve all requirements of CalGEM regulations for proper abandonment of oil and gas wells.

Figure 17: Wells to be abandoned prior to injection.



Plan for Site Access

CTV operates and owns 100% of the surface, mineral and pore space rights for the project where all activities will take place. As such, site access has been guaranteed for the duration of the project and for post-injection monitoring.

Corrective Action Schedule

Corrective action for all wells withing the AoR will be completed before CO₂ is injected in the reservoir. This will ensure that CO₂ is confined to the injection zone for the entire AoR, protecting the overlying USDW and ensuring confinement.

Through time, if the plume development is not consistent with the predicted results, computational modeling will be updated to reassess the AoR. In this event, all wells in the updated AoR will be subject to the Corrective Action Plan and be remediated if necessary.

Reevaluation Schedule and Criteria

AoR Reevaluation Cycle

CTV will reevaluate the above described AoR at a minimum every five years during the injection and post-injection phases, as required by 40 CFR 146.84 (e).

Simulation study results are reviewed when operating data is acquired. Preparation of necessary operational data for the review includes injection rates and pressures, CO₂ injectate concentrations, and monitoring well information (storage reservoir and overlying dissipation intervals).

Dynamic operating and monitoring data that will be incorporated into future reevaluation will include:

1. Pressure data from monitoring wells that constrain and define plume development.
2. CO₂ content/saturation from monitoring wells. This data may be acquired with direct aqueous measurements and cased hole log results that will constrain and define plume development.
3. Injection pressures and volumes. The injection pressures and volumes in the computational model are maximum values. If the actual rates are lower than expected, the plume will develop at a slower rate than expected and be reflected in the pressure and CO₂ concentration data in 1 and 2 above.

4. A review of the full suite of water quality data collected from monitoring wells in addition to CO₂ content/saturation (to evaluate the potential for unanticipated reactions between the injected fluid and the rock formation).
5. Review and submission of any geologic data acquired since the last modeling effort, including any additional site characterization performed for future injection wells.
6. Reevaluation modeling results will be compared with the most recent modeling (i.e., from the most recent AoR reevaluation). A report describing the comparison of the modeling results will be provided to the EPA with a discussion on whether the results are consistent.
7. Description of the specific actions that will be taken if there are discrepancies between monitoring data and prior modeling results (e.g., remodel the AoR, update all project plans, perform additional corrective action if needed, and submit the results to EPA).

Re-evaluation results will be compared to the original results to understand dynamic inputs affecting plume development and static inputs that would impact injectivity and storage space. Static inputs that may potentially be considered to understand discrepancies between initial and re-evaluation computational models could include permeability, sand continuity and porosity. Although the AoR has been fully delineated, all inputs to the static and dynamic model will be reviewed.

As needed, CTV will review all of the plans that are impacted by a potential AoR increase such as Corrective Action and Emergency and Remedial Response. For corrective action, all wells potentially impacted by a changing AoR will be addressed immediately.

Triggers for AoR Reevaluations Prior to the Next Scheduled Reevaluation

An ad-hoc re-evaluation prior to the next scheduled re-evaluation will be triggered if any of the following occur:

1. Changes in pressure or injection rate that are unexpected and outside three (3) standard deviations from the average will trigger a new evaluation of the AoR.
2. Difference between the computation modeling and observed plume development:
 - a. Unexpected changes in fluid constituents or pressure outside the Monterey Formation A1-A2 reservoir that are not related to well integrity.
 - b. Reservoir pressures increase versus injected volume is inconsistent with computational modeling results.
 - c. Any other activity prompting a model recalibration.
3. Seismic monitoring anomalies within two miles of the injection well that are indicative of:

- a. The presence of faults near the confining zone that indicates propagation into the confining zone.
 - b. Events reasonably associated with CO₂ injection that are greater than M3.5.
2. Exceeding 90% of the geologic formation fracture pressure in any injection or monitoring wells.
3. Detection of changes in shallow groundwater chemistry (e.g., a significant increase in the concentration of any analytical parameter that was not anticipated by the AoR delineation modeling).
4. Initiation of competing injection projects within the same injection formation within a 1-mile radius of the injection well (including when additional CTV injection wells come online);
5. A significant change in injection operations, as measured by wellhead monitoring;
6. Significant land-use changes that would impact site access; and
7. Any other activity prompting a model recalibration.

CTV will discuss any such events with the UIC Program Director within six months of an event to determine if an AoR re-evaluation is required. If an unscheduled re-evaluation is triggered, CTV will perform the steps described at the beginning of this section of the Plan.